



Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, MARCH 4, 2009
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

N.J. INDUSTRIAL PIPES SUPPLY COMPANY AND ITS CO-OWNER PLEAD GUILTY TO FRAUD AT TWO N.J. SUPERFUND SITES

WASHINGTON — A Middlesex, N.J., industrial pipes, valves and fittings supply company and its co-owner pleaded guilty today to participating in a fraud conspiracy at two U.S. Environmental Protection Agency (EPA)-designated Superfund sites in New Jersey, the Department of Justice announced today. The sites are Federal Creosote, located in Manville, N.J., and Diamond Alkali, located in Newark, N.J.

National Industrial Supply LLC (NIS) and its co-owner, Victor Boski, pleaded guilty in the U.S. District Court of New Jersey today. Each pleaded guilty to participating in a conspiracy to defraud the EPA at the Federal Creosote site and to defraud Tierra Solutions Inc. at the Diamond Alkali site from approximately December 2000 to approximately September 2004. Tierra Solutions is a general contractor based in The Woodlands, Texas. According to the plea agreement, NIS and Boski have agreed to cooperate with the Department's ongoing investigation. Sentencing for NIS and Boski will be determined by the court.

"Companies and individuals who shortchange taxpayers by subverting the competitive bidding process will be held accountable," said Scott D. Hammond, Acting Assistant Attorney General in charge of the Department's Antitrust Division.

As part of the conspiracy, Boski provided approximately \$55,000 in kickbacks to Norman Stoerr, a former contracts administrator of the prime contractor at both Superfund sites, and Stoerr's former superior in exchange for the award of sub-contracts to NIS. According to the charges, Boski, NIS, Stoerr and Stoerr's former superior fraudulently inflated the prices of the sub-contracts to include the cost of the kickbacks.

The cleanup at the Federal Creosote site is partly funded by the EPA. An interagency agreement between the EPA and the U.S. Army Corps of Engineers designated that the EPA hire prime contractors to oversee the remedial action at the Federal Creosote site, which included the purchase of industrial pipes, valves and fittings. At Diamond Alkali, Tierra Solutions was required to fund the remedial action and maintenance of the Superfund site, according to the EPA and the New Jersey Department of Environmental Protection. Tierra Solutions hired the prime contractor for the remedial action and maintenance of Diamond Alkali.

On July 23, 2008, Stoerr pleaded guilty to bid-rigging, fraud and tax charges related to both Superfund sites. Simultaneous with Stoerr's plea, JMJ Environmental Inc., a Laurel Springs, N.J., wastewater treatment supply company, and its owner, John Drimak Jr., pleaded

guilty to bid-rigging, fraud and tax charges related to both sites. Sentencing for Stoerr, JMJ Environmental and Drimak is scheduled for May 18, 2009. Bennett Environmental Inc. (BEI) also pleaded guilty to participating in a conspiracy to defraud the EPA at the Federal Creosote site and was sentenced on Dec. 15, 2008, to pay a \$1 million criminal fine. Zul Tejpar, a former BEI employee, pleaded guilty to participating in a conspiracy to provide kickbacks and defraud the EPA at the Federal Creosote site on Dec. 15, 2008. Sentencing is scheduled for Sept. 28, 2009. On Feb. 26, 2009, Christopher Tranchina, an employee of a Sewell, N.J. company that provided temporary electrical utilities, pleaded guilty to participating in a conspiracy to provide kickbacks and defraud the EPA at Federal Creosote.

NIS and Boski are charged with conspiracy to commit fraud, a violation of which carries a maximum fine of \$500,000 for NIS and, for Boski, a maximum penalty of five years in prison and a \$250,000 fine. The maximum fines for each defendant may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

Today's charges reflect the Department's commitment to protecting U.S. taxpayers from procurement fraud through its creation of the National Procurement Fraud Task Force. The National Procurement Fraud Initiative, announced in October 2006, is designed to promote the early detection, prosecution and prevention of procurement fraud associated with the increase in contracting activity for national security and other government programs.

The ongoing investigation is being conducted by the Antitrust Division's New York Field Office, the EPA Office of Inspector General and the Internal Revenue Service Criminal Investigation. Anyone with information concerning bid rigging, kickbacks, tax offenses or fraud relating to subcontracts awarded at the Federal Creosote and/or the Diamond Alkali sites should contact the Antitrust Division's New York Field Office at 212-264-9308.

###